

Section 4. All Acts, and parts of Acts in conflict herewith are hereby repealed.

Saving clause.

Section 5. If any section or any part of this Act shall be declared unconstitutional, or invalid, such adjudication shall not affect the validity or force of any other section or part.

clause.
Emergency

Section 6. An emergency is hereby declared to exist and this Act shall take effect immediately upon its passage and approval.

Approved March 24, 1947.

CHAPTER 58

AN ACT

[H. B. 4]

Relative to the regulation of rates for certain casualty insurance, including fidelity, surety and guaranty bonds and all other forms of motor vehicle insurance, and for fire, marine and inland marine insurance and all kinds of insurance which fire insurance companies are authorized to write, and to rating organizations, and to advisory organizations; and prescribing penalties for violations and for furnishing false or misleading information; and providing procedure for judicial review.

Be it enacted by the Legislature of the Territory of Alaska:

Purpose.

Section 1. Purpose of Act. The purpose of this Act is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate co-operative action among insurers in rate making and in other matters within the scope of this Act.

Nothing in this Act is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit or encourage, except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans or practices. This Act shall be liberally interpreted to carry into effect the provisions of this Section.

Section 2. Scope of Act. (a) This Act applies to casualty insurance on risks or operations in this Territory, and to fire, marine and inland marine insurance and to all kinds of insurance which fire insurance companies are authorized to write on risks located in this Territory. Scope.

(b) For the purposes of this Act, casualty insurance includes fidelity, surety and guaranty bonds and all other forms of motor vehicle insurance, and fire, marine and inland marine insurance shall not include motor vehicle insurance or insurance against liability arising out of the ownership, maintenance or use of motor vehicles. Inland marine insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the Commissioner of insurance, hereinafter referred to as Commissioner, or as established by general custom of the business, as inland marine insurance. Casualty insurance.

(c) This Act shall not apply: (1) to reinsurance, other than joint reinsurance to the extent stated in Section 11; (2) to accident and health insurance; (3) to insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance policies; (4) to insurance against loss of or damage to aircraft or against liability, other than workmen's compensation and employers' liability, arising out of the ownership, maintenance or use of air- Inland marine insurance.

Exceptions to coverage.

craft; or, to insurance of hulls of aircraft, including their accessories and equipment.

(d) If any kind of insurance, subdivision or combination thereof, or type of coverage, is subject to both the provisions of this Act expressly applicable to casualty insurance and to those expressly applicable to fire, marine and inland marine insurance, an insurer to which both these provisions are otherwise applicable shall file with the Commissioner a designation as to which of these provisions shall be applicable to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

Rate making.

Section 3. Making of Rates. All rates shall be made in accordance with the following provisions:

(a) Due consideration shall be given to past and prospective loss experience within and outside this Territory, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this Territory, and to all other relevant factors within and outside this Territory.

Limitations.

(b) Rates shall not be excessive, inadequate or unfairly discriminatory.

Casualty rates.

(c) Rates for casualty insurance to which this Act applies shall also be subject to the following provisions:

Expense provisions.

1. The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of any other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to

any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable.

2. Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses.

Classification rates.

(d) Rates for fire, marine and inland marine insurance to which this Act applies shall also be subject to the following provisions:

Fire, marine and inland marine.

1. Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated.

Exception.

2. Due consideration shall be given to the conflagration hazards, and in the case of fire insurance rates consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five-year period for which such experience is available.

(e) Except to the extent necessary to meet the provisions of subsection (b) of this Section, uniformity among insurers in any matters within the scope of this Section is neither required nor prohibited.

Section 4. Rate Filings. (a) 1. Every insurer shall file with the Commissioner every manual of classifications, rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use for casualty insurance to which this Act applies.

Rate filings.

Commissioner to
receive rate file.

2. Every insurer shall file with the Commissioner, except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule and every modification of any of the foregoing which it proposes to use for fire, marine and inland marine insurance to which this Act applies. Specific inland marine rates on risks specially rated, made by a rating organization, shall be filed with the Commissioner.

Contents.

(b) Every such filing shall state the proposed effective date thereof, shall indicate the character and extent of the coverage contemplated and shall be accompanied by the information upon which the insurer supports the filing. When a filing is not accompanied by the information upon which the insurer supports such filing, and the Commissioner does not have sufficient information to determine whether such filing meets the requirements of the Act, he shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing may include (1) the experience or judgment of the insurer or rating organization making the filing, (2) the experience of other insurers or rating organizations, or (3) any other factors which the insurer or rating organization deems relevant. A filing and any supporting information shall be open to public inspection after the filing becomes effective.

Licensed rating
organization.

(c) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the Commissioner to accept such filings on its behalf; provided, that nothing contained in this Act shall be construed as requiring any insurer to

become a member of or a subscriber to any rating organization.

(d) The Commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of this Act. Commissioner to review.

(e) Subject to the exception specified in subsections (f) and (g) of this Section, each filing shall be on file for a waiting period of fifteen days before it becomes effective, which period may be extended by the Commissioner for an additional period of not to exceed fifteen days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the Commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this Act unless disapproved by the Commissioner within the waiting period or any extension thereof. Effective date after filing.

(f) Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this Act until such time as the Commissioner reviews the filing and so long thereafter as the filing remains in effect. Special filing.

(g) Specific inland marine rates on risks specially rated by a rating organization shall become effective when filed and shall be deemed to meet the requirements of this Act until such time as the Commissioner reviews

the filing and so long thereafter as the filing remains in effect.

Commissioner
may make rules.

(h) Under such rules and regulations as he shall adopt the Commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The Commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in subsection (b) of Section 3.

(i) Upon the written application of the insured, stating such insured's reasons therefor, filed with and approved by the Commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

Rate to conform
with Act.

(j) Beginning ninety days after the effective date of this Act no insurer shall make or issue a contract or policy except in accordance with the filings which are in effect for said insurer as provided in this Act or in accordance with subsections (h) or (i) of this Section. This subsection shall not apply to contracts or policies for inland marine risks as to which filings are not required.

Notice of
disapproval.

Section 5. Disapproval of Filings. (a) If within the waiting period or any extension thereof as provided in subsection (e) of Section 4, the Commissioner finds that a filing does not meet the requirements of this Act, he shall send to the insurer or rating organization which made such filing, written notice of disapproval of such filing specifying therein in what respects he finds such filing fails to meet the requirements of this Act and stating that such filing shall not become effective.

(b) If within thirty days after a special surety or guaranty filing subject to subsection (f) of Section 4 has become effective, or if within thirty days after a specific inland marine rate on a risk specially rated by a rating organization subject to subsection (g) of Section 4 has become effective, the Commissioner finds that such filing does not meet the requirements of this Act, he shall send to the insurer or rating organization which made such filing written notice of disapproval of such filing specifying therein in what respects he finds that such filing fails to meet the requirements of this Act and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not effect any contract made or issued prior to the expiration of the period set forth in said notice.

(c) If at any time subsequent to the applicable review period provided for in subsection (a) or (b) of this Section, the Commissioner finds that a filing does not meet the requirements of this Act, he shall, after a hearing held upon not less than ten days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of this Act, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(d) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the Commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify

the grounds to be relied upon by the applicant. Should the Commissioner find that the application is made in good faith, that the applicant would be so aggrieved if the applicant's grounds are established, and that such grounds otherwise justify holding such a hearing he shall, within thirty days after receipt of such application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing.

Filing not in
conformity with
Act.

If, after such hearing, the Commissioner finds that the filing does not meet the requirements of this Act, he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of this Act, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(e) No manual of classifications, rule, rating plan, rating system, plan of operation or any modification of any of the foregoing which establishes standards for measuring variations in hazards or expense provisions, or both, and which has been filed pursuant to the requirements of Section 4 of this Act, shall be disapproved if the rates thereby produced meet the requirements of this Act in regard to casualty insurance.

(f) No manual, minimum, class rate, rating schedule, rating plan, rating rule, rating system, plan of operation or any modification of any of the foregoing which has been filed pursuant to the requirements of Section 4 of this Act shall be disapproved if the rates thereby produced meet the requirements of this Act in regard to fire, marine and inland marine insurance.

Section 6. Rating Organizations. (a) A corporation,

an unincorporated association, a partnership or an individual, whether located within or outside this Territory, may make application to the Commissioner for license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part or combination thereof as are specified in such application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this Territory upon whom notices or orders of the Commissioner or process affecting such rating organization may be served and (4) a statement of applicant's qualifications as a rating organization. If the Commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the Commissioner within sixty days of the date of its filing with him. Licenses issued pursuant to this Section shall remain in effect for three years unless sooner suspended or revoked by the Commissioner. The fee for said license shall be one hundred (\$100.00) dollars. Licenses issued pursuant to this Section may be suspended or revoked by the Commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection. Every rating organization shall notify the Commissioner promptly of every change in (1) its constitution, its articles of agreement, or association, or its certificate or incorporation, and its by-laws, rules and regulations governing the conduct of its business, (2) its list of members and

License for
rating
organization.

Application
contents:
1. Constitution
2. By-laws, rules
and regulations

When license
issued.

Term of
license.

Revocation.

subscribers and (3) the name and address of the resident of this Territory designated by it upon whom notices or orders of the Commissioner or process affecting such rating organization may be served.

(b) Subject to rules and regulations which have been approved by the Commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the Commissioner at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the Commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the Commissioner as if the application had been rejected. If the Commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

Who may
subscribe for
rating services.

Failure to act on
application.

Limitation.

(c) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium de-

posits allowed or returned by insurers to their policyholders, members or subscribers.

(d) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this Act is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of this Act which are applicable to filings generally. The Commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Act, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Act, and requiring the discontinuance of such activity or practice.

Cooperation
between
organizations
subject to
review.

(e) Any rating organization may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidence of insurance, or the cancellation thereof, and may make reasonable rules governing their submission. Such rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the Commissioner thereof. All information so submitted for examination shall be confidential.

Review of
insurance
by rating
organization.

(f) Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination.

Section 7. Deviations. (a) Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except;

Deviations.

**Casualty
insurance.**

1. In the case of casualty insurance to which this Act applies any such insurer may make written application to the Commissioner for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance which is found by the Commissioner to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization. Such application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies. A copy of the application and data shall be sent simultaneously to such rating organization;

**Fire, marine
and inland
marine.**

2. In the case of fire, marine and inland marine insurance, to which this Act applies, any such insurer may make written application to the Commissioner for permission to file a deviation from the class, rates, schedules, rating plans or rules respecting any kind of insurance, or class of risks within a kind of insurance, or combination thereof. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization.

**Notice of
hearing.**

(b) The Commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days' written notice thereof. In the event the Commissioner is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. The Commissioner shall issue an order permitting the modification for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the

modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the Commissioner.

One year deviation period.

(c) In considering the application for permission to file such deviation in the case of fire, marine and inland marine insurance, the Commissioner shall give consideration to the available statistics and the applicable principles for rate making as provided in Section 3 of this Act.

Section 8. Appeal by Minority. Any member of or subscriber to a rating organization may appeal to the Commissioner from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization and the Commissioner shall, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order.

Minority appeal.

In the case of casualty insurance to which this Act applies, if such appeal is based upon the failure of the rating organization to make a filing on behalf of such member or subscriber which is based on a system of expense provisions which differs, in accordance with the right granted in subdivision 1 of subsection (c) of

Section 3, from the system of expense provisions included in a filing made by the rating organization, the Commissioner shall, if he grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding such appeal the Commissioner shall apply the standards set forth in Section 3.

Section 9. Information To Be Furnished Insureds: Hearings and Appeals of Insureds. Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

Information to insureds.

Every rating organization and every insurer which makes its own rates shall provide within this Territory reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the Commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

Appeal from rating organization rates.

Commissioner to determine.

Section 10. Advisory Organizations. (a) Every group, association or other organization of insurers, whether located within or outside this Territory, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furn-

Advisory organizations.

ishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this Act, shall be known as an advisory organization.

(b) Every advisory organization shall file with the Commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its by-laws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this Territory upon whom notices or orders of the Commissioner or process issued at his direction may be served, and (4) an agreement that the Commissioner may examine such advisory organization in accordance with the provisions of Section 12 of this Act.

Data to be
filed with
Commissioner.

(c) If, after a hearing, the Commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this Act, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Act, and requiring the discontinuance of such act or practice.

Examination
of filings.

(d) No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this Section or with an order of the Commissioner involving such statistics or recommendations issued under subsection (c) of this Section. If the Commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

Failure to
comply.

Section 11. Joint Underwriting or Joint Reinsurance.

(a) Every group, association or other organization of

insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other provisions of this Act and, with respect to joint reinsurance, to Sections 12 and 16 to 20 of this Act.

(b) If, after a hearing, the Commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this Act, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Act, and requiring the discontinuance of such activity or practice.

Section 12. Examinations. The Commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed hereunder and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in Section 10 and of each group, association or other organization referred to in Section 11. The reasonable costs of any such examination shall be paid by the rating organization, advisory organization, or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of such rating organization, advisory organization, or group, association or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. In lieu of any such examination the Commissioner may accept the report of an examination, duly made pursuant to law, by the insurance supervisory official of another state, territory, district or country.

No report of any such examination, however made or wheresoever obtained, shall be made public unless the

Examination
of rating
organization.

Cost of
examination.

rating organization, advisory organization, group, association, or other organization examined within 30 days after its receipt of the Commissioner's written notice of his intention to publicize such report, does not apply to him for a hearing thereon; but, should such application be made within said 30 days, the Commissioner shall hold a hearing thereon, first giving reasonable written notice of the time and place thereof, and thereupon either approve or disapprove said report as being correct. If he approves said report or if no application is made as aforesaid for a hearing thereon, said report shall immediately become and be admissible in evidence as a public record, and open to public inspection.

Publication of
examination.

Section 13. Rate Administration. (a) Recording and Reporting of Loss and Expense Experience.

The Commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in Section 3. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this Territory and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the Commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states and territories, to the rules and to the form of the plans used for such rating systems in other states and territories. No insurer shall be required to record or report its loss experience on a classification

Commissioner
to make rules
and plans for
rating
organizations.

basis that is inconsistent with the rating system filed by it. The Commissioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the Commissioner, to insurers and rating organizations.

(b) Interchange of Rating Plan Data. Reasonable rules and plans may be promulgated by the Commissioner for the interchange of data necessary for the application of rating plans.

(c) Consultation With Other States and Territories. In order to further uniform administration of rate regulatory laws, the Commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and territories and may consult with them with respect to rate making and the application of rating systems.

(c) Rules and Regulations. The Commissioner may make reasonable rules and regulations necessary to effect the purposes of this Act.

Section 14. False or Misleading Information. No person or organization shall willfully withhold information from, or knowingly give false or misleading information to, the Commissioner, any statistical agency designated by the Commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under this Act. A violation of this Section shall subject the one guilty of such violation to the penalties provided in Section 16 of this Act.

Section 15. Assigned Risks. With respect to casualty insurance to which this Act applies, agreement may be made among insurers with respect to the equitable appor-

Interchange
of data.

Commissioner
may make rules
and
regulations.

False or
misleading
information.

Assigned risks
for casualty
insurance.

tionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the Commissioner.

Section 16. Revocation and Suspension of License, and Penalties. (a) The Commissioner may, and he is hereby

License revocation and suspension.

granted the power to, revoke indefinitely or suspend for such time as he may prescribe the license of any rating organization or insurer which fails or refuses to comply with any order of the Commissioner within the time prescribed by such order or any extension thereof that the Commissioner may grant. Such suspension shall not take effect either prior to the time within which an appeal may be taken from said order or extension thereof or while an appeal is pending either from said order or extension thereof or from said suspension; otherwise, said suspension shall remain in effect for such time as the Commissioner prescribes unless for good cause sooner modified or rescinded by him or until modified, rescinded or reversed by the District Court upon appeal. No license shall be revoked or suspended except upon the Commissioner's written order, stating his findings, after hearing held by him upon not less than 10 days' written notice, specifying the alleged violation, to the licensee.

Appeal.

Hearing.

(b) Any violator of any provision of this Act or of any order lawfully made hereunder by the Commissioner shall, upon conviction, be penalized by a penalty, to be imposed by the District Court after hearing upon the written, verified complaint, detailing the violation, of the Commissioner or any one deputized by him to make such complaint, of not more than \$50.00 for each nonwillful violation and of not more than \$500.00 for each willful violation. The proceedings and hearing on such complaint, a copy whereof shall be served upon the violator,

Penalty.

shall be summary but not upon less than 20 days written notice to the violator, who at such hearing may be represented by counsel and may adduce evidence to refute the complaint and evidence of the Commissioner upon whom the burden of proof shall rest. Any penalty assessed shall be paid to the Commissioner for conversion by him into the Territory's general funds, and collection thereof may be enforced by execution and judicial sale, and, also, in the Commissioner's discretion, by suspension and revocation, during nonpayment thereof, of the right to do business as well as of any license held by the violator in Alaska.

Penalty assessed
paid to
Territory.

Section 17. Hearing Procedure and Judicial Review.

(a) Within 20 days after his receipt of any insurer's or rating organization's written petition, the Commissioner shall hold a hearing, after first giving not less than 10 days written notice of the time and place thereof to the petitioner, upon any order or decision theretofore made by him without a hearing. The Commissioner shall render his decision of affirmation, reversal or modification within 15 days after such hearing, pending which he may suspend or postpone the effective date of his previous order or decision.

Judicial
review.

(b) This Act shall not require the observance of formal rules of pleading or evidence at any hearing.

(c) An appeal may be taken to the District Court, in the same manner as appeals are taken to it from the Justice Court, by an aggrieved party from any order made under this Act by the Commissioner; provided, however, the appellant in all appeals shall give a bond in favor of the Territory for the benefit of it and all others directly interested therein for costs of \$250.00 and, if any premiums or other money loss may be suffered thereby for double the amount thereof. Pending such appeal such order or decision shall be ineffective, unless the District Court, upon proof of probable injury

Appeal to
District Court.

to the public welfare by such noneffectiveness, otherwise orders. The District Court by its decision may modify, affirm or reverse the Commissioner's order or decision in whole or in part.

Section 18. The Auditor of Alaska is hereby made the Territorial Insurance Commissioner and empowered to enforce this Act, and herein is designated as "Commissioner".

Auditor is
Insurance
Commissioner.

Section 19. Rebates Prohibited. No broker or agent shall knowingly charge, demand or receive a premium for any policy of insurance except in accordance with the provisions of this Act. No insurer or employee thereof, and no broker or agent shall pay, allow, give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy of insurance or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance, except to the extent provided for in applicable filing. No insured named in a policy of insurance, nor any employee of such insured shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, credit or reduction of premium, or any such special favor or advantage or valuable consideration or inducement. Nothing in this Section shall be construed as prohibiting the payment of commissions or other compensation to duly licensed agents and brokers, or as prohibiting any insurer from allowing or returning to its participating policy-holders, members or subscribers, dividends, savings or unabsorbed premium deposits.

Rebates
prohibited.

As used in this Section the word "insurance" includes suretyship and the word "policy" includes bond.

Section 20. Constitutionality. If any section, subsec-

Saving clause.

tion, subdivision, paragraph, sentence or clause of this Act is held invalid or unconstitutional, such decision shall not affect the remaining portions of this Act.

Definition.

Section 21. Definitions. The word "filing" or "filings" means the respective information or documents which must be filed by insurers and rating organizations as hereinbefore respectively specified. The words "casualty insurance" and the words "fire, marine and inland marine insurance" are used in this Act in their generally accepted trade sense.

Section 22. Supplements Present Laws. This Act shall be construed to supplement and not to repeal Chapter 22, Alaska Session Laws 1937, Chapters 47 and 66, Alaska Session Laws 1939, and Chapter 7, Alaska Session Laws 1941, and amendments thereto, except to the extent that the provisions of this Act are in conflict therewith.

Section 23. Effective Date. This Act shall take effect October 1, 1947.

Passed by the House, Mar. 3, 1947.

Passed by the Senate, Mar. 14, 1947.

CHAPTER 59

AN ACT

[S. B. 34]

To amend Criminal Procedure in Alaska by amending Sections 5152, 5169, 5243, 5261, 5262, 5278, 5279, 5281, 5294, 5321, 5336, 5347, 5369, 5374, 5381, 5391, 5414, 5457b, 5457c, 5457d, 5464, 5719, 5742, 5743, 5756, Compiled Laws of Alaska, 1933; and to repeal Section 5241, Section 5267, to 5277, inclusive, and Sections 5370 and 5371, Compiled Laws of Alaska, 1933.